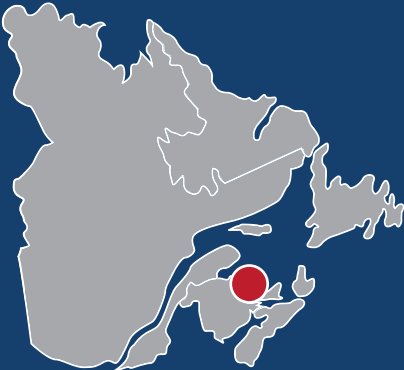# Securing Canada's FISH + SEAFOOD Work Force

# REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

## Prince Edward Island Region
### Prince County

**FPSC**
FOOD PROCESSING SKILLS CANADA
COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S
**FISH + SEAFOOD**
WORKFORCE

**FPSC** FOOD PROCESSING SKILLS CANADA  COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA



Canadä

This program is funded by the Government of Canada's Sectoral Initiatives Program

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# SUMMARY

## REGIONAL OVERVIEW

The Prince County region is located in Western Prince Edward Island. Within the region, some of the main cities and towns are the City of Summerside (pop.14,829), the Town of Alberton (pop. 1,145), and the Town of Kensington (pop. 1,619), along with several additional smaller communities.

## LABOUR MARKET OVERVIEW

Currently, median hourly wages for shellfish/fish labourers and plant workers are slightly higher than some of the other lower-skill level occupations (C and D level) available in the region, but slightly lower than those occupations having significant physical labour requirements (e.g., farm worker).

PEI is expected to experience the fastest rates of population growth in Atlantic Canada. The province's "Population Action Plan" aims to raise the Island's population largely through increased immigration and is expected to have far reaching and long-lasting effects. The region's population is expected to grow from 37,400 in 2017 to over 44,00 by 2030 due to net in-migration of 7,500 individuals. Despite strong population growth, rising retirements will cause labour force growth to lag behind employment, resulting in a declining regional unemployment rate over the latter half of the next decade and reduced labour availability for all employers in the region.

Seafood processing employment in the Prince County, PEI region is expected to remain stable around 730 workers in the near-term before increasing to over 800 by 2030. Local processors will likely need to hire nearly 400 additional workers between 2018 and 2030, driven primarily by the need to replace workforce retirements and deaths. This figure does not include turnovers which can add significantly to total annual recruitment demands.

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, regional labour supply is projected to exceed average seafood processing employment demand but will not be sufficient for peak employment demand. Seasonal peaks in seafood processing employment in PEI can increase average annual demands by over 50%. Supply constraints are even more acute among lower-skill workers, as regional labour supply is not projected to meet even average seafood processing employment demand until 2021, requiring the attraction of workers from outside the region or other sectors.

POPULATION
**37,430**

LABOUR FORCE
**22,748**

# LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Prince Region and subtracting those requirements from the total labour force estimates, reveals substantial challenges facing this industry.

| | 2017 | 2018 | 2019 | 2020 | AVERAGE 2021 TO 2025 | AVERAGE 2026 TO 2030 |
|---|---|---|---|---|---|---|
| TOTAL | 2 | 2 | 2 | 2 | 2 | 2 |
| LOWER SKILL | 3 | 3 | 3 | 3 | 2 | 2 |

1 = Regional labour force meets seafood processing employment demand at annual average and peak employment levels

2 = Regional labour force meets seafood processing employment demand at annual average levels only

3 = Regional labour force does not meet seafood processing employment at annual average or peak levels

# 2

## SEAFOOD PROCESSING ESTABLISHMENTS

2[1]

## SEAFOOD PROCESSING EMPLOYMENT

721[2]

1  The number of establishments is based on 2016 data from Statistics Canada's Business Register.

2  Seafood processing employment is estimated based on 2016 Census data for the Southern (NS) economic region

# 1.0 INTRODUCTION

This report is one in a series of 12 regional reports developed to provide detailed labour market information (LMI) for the fish and seafood processing industry in Atlantic Canada. The regionally focused LMI is one component of a broader study undertaken by Food Processing Skills Canada (FPSC) in collaboration with the Employment and Social Development Canada, and various provincial and industry partners entitled Securing Canada's Fish and Seafood Workforce: Real Challenges, Practical Solutions and Fresh Perspectives.

The aim of the overall study is to identify the scope of human resource (HR) challenges for the Atlantic fish and seafood processing sector, and compile HR best practices that would help employers meet their labour force current and future needs. One important aspect of understanding HR challenges in the sector, some of which are region specific, was to gather detailed information and profiles of areas that rely heavily on fish and seafood processing for their local economies. Twelve regions across the four Atlantic provinces were selected for specific focus based on the amount of processing activity, and proportion of labour force working in the industry. Prince County, PEI Region was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Prince County, PEI Region, fish and seafood processing overall in the province of Prince Edward Island, and specifically processing in the Prince County region. This is followed by sections that provide an overview of the region's labour force, and the specific findings for the labour supply and demand, current and future. The final two report sections outline the HR challenges identified in the region, and some of the promising practices and innovative solutions that employers and communities are trying to address labour supply issues.

The final two report sections outline the HR challenges identified in the region, and some of the promising practices and innovative solutions that employers and communities are trying to address labour supply issues.

## THE STUDY METHODS USED TO DEVELOP THESE DETAILED REGIONAL PROFILES INCLUDED:

☑ Two robust econometric models that provide detailed quantifiable projections for both labour demand and supply at the regional level. This is the first time that these numbers have been produced at the regional, provincial and Atlantic levels for the fish and seafood processing industry;

☑ A broad survey of fish and seafood processing facilities (n=100) across the Atlantic provinces covering approximately 69% of the industry workforce; and

☑ Qualitative information focused on themes and issues collected through site visits and interviews with plant managers, employees, unions and community stakeholders. For the Prince County, PEI Region, the study team collected information from two large plants (over 150 employees) focused primarily on processing lobster and crab.

## REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

# 2.0 OVERVIEW OF THE PRINCE COUNTY REGION

## 2.1 GEOGRAPHIC LOCATION

The Prince County region is located in Western Prince Edward Island. Within the region, some of the main cities and towns are the City of Summerside (pop.14,829), the Town of Alberton (pop. 1,145), and the Town of Kensington (pop. 1,619), along with several additional smaller communities.
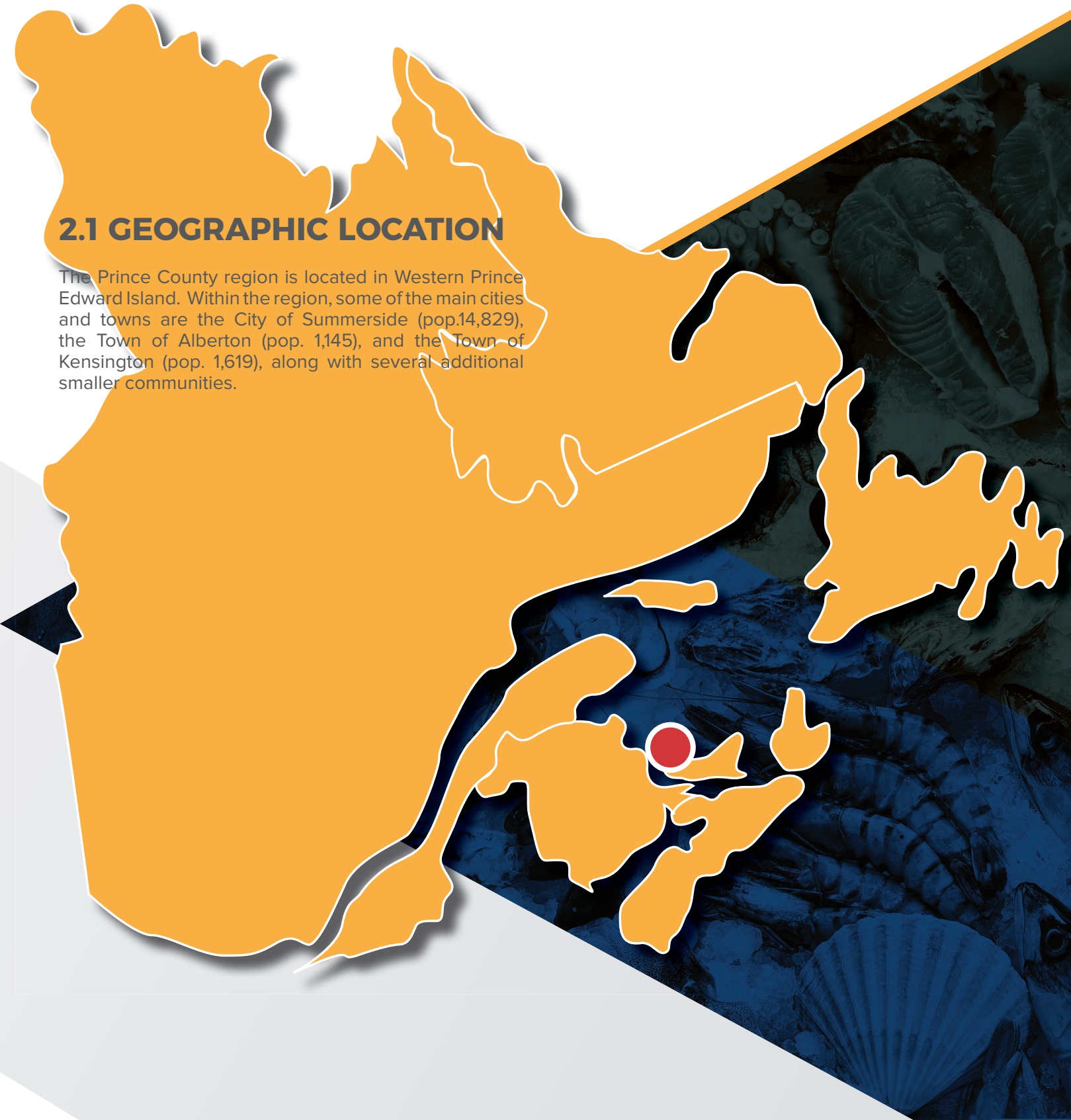
# 2.2 POPULATION CHARACTERISTICS

**The population of the Prince County Region is ageing, and it is expected to grow by approximately 6,000 people over the next decade. Compared to the province overall, the population has proportionally lower levels of immigrants, visible minorities, non-Canadian citizens, and people identifying as Aboriginal (according to Census definitions).**

The overall population for the region in 2017 was 37,430. According to Census 2016 profiles, the proportions of immigrants (3.2%), visible minorities (2.1%), non-Canadian citizens (1.5%), and those who identify as Aboriginal (1.3%) are lower than those overall for Prince Edward Island (see Table 1).

TABLE 1: PRINCE COUNTY REGION POPULATION CHARACTERISTICS

| CHARACTERISTIC | PRINCE COUNTY REGION | PRINCE EDWARD ISLAND |
|---|---|---|
| FEMALE | 18,115 | 73,605 |
| SHARE OF POPULATION | 50.9% | 51.5% |
| IMMIGRANTS | 1,140 | 8,940 |
| SHARE OF POPULATION | 3.2% | 6.4% |
| NOT CANADIAN CITIZENS | 545 | 6,030 |
| SHARE OF POPULATION | 1.5% | 4.3% |
| VISIBLE MINORITIES | 730 | 6,640 |
| SHARE OF POPULATION | 2.1% | 4.8% |
| ABORIGINAL IDENTITY | 455 | 2,735 |
| SHARE OF POPULATION | 1.3% | 2.0% |

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (37,430 in 2017 and then 43,207 by 2030). Although the total population will increase, it will be an ageing population with the proportion of the age cohort 65 years or older increasing slightly from 20.5% in 2017 to approximately 24% by 2030 (see Figure 1). The population median age of 46.4 years in the Prince County region is higher than the median age in Prince Edward Island of 44.5 years and greater than the national median age of 41.2 (Census, 2016). While population growth will be negatively impacted by the continued ageing of the population and increased number of deaths, this will be countered by a predicted continuation of a pattern of net in-migration of approximately 7,500 people by 2030. This will be the main driver of population growth in this period under study (see Figure 2).
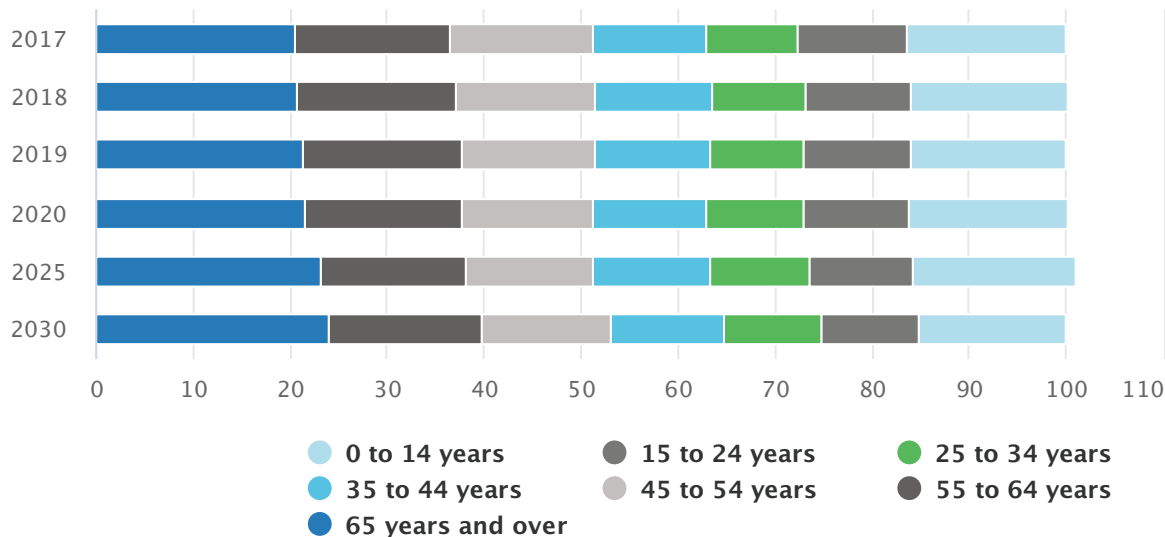
FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

Legend:
- 0 to 14 years
- 15 to 24 years
- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- 65 years and over
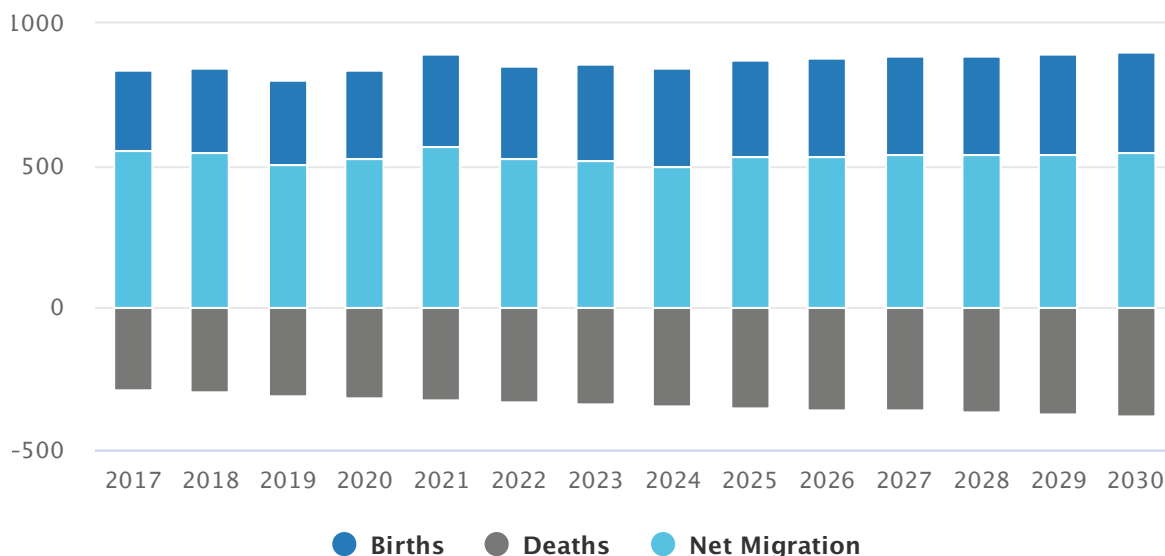


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

Legend:
- Births
- Deaths
- Net Migration



Categories:
- No cert/diploma/degree
- High school diploma or equiv.
- Apprenticeship or trades cert/diploma
- College, CEGEP or other university cert/diploma
- University cert/diploma below Bachelor level
- University cert/diploma/degree

Legend:
- Prince County Region
- Prince Edward Island
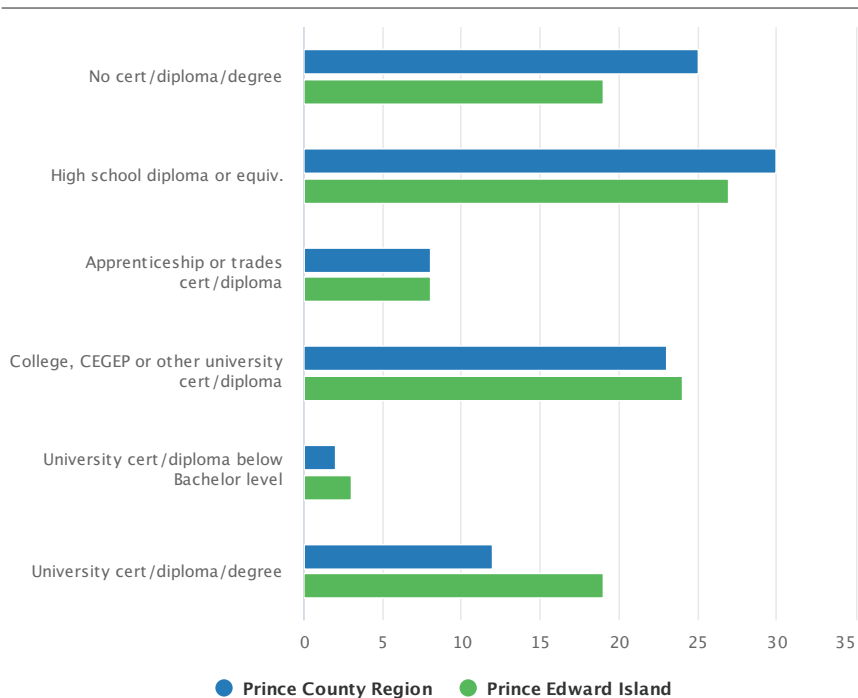
## FIGURE 3: EDUCATIONAL ATTAINMENT – PRINCE COUNTY REGION AND PEI

The overall education level of the region's residents is lower when compared with Prince Edward Island overall (see Figure 3). Twenty five percent (25%) do not have a high school diploma (vs. 19% for the province), and 12% (vs. 19% for the province) have a university certificate, diploma or degree. From interviews, it was determined that part of this may be attributable to the ongoing out-migration from the region into often more urban centres by younger people who often have higher levels of education than older cohorts. This corresponds also to the ageing demographics for the region.

# 3.0 OUTLOOK OF PRINCE EDWARD ISLAND FISH AND SEAFOOD PROCESSING

## 3.2 PRINCE EDWARD ISLAND SEAFOOD PRODUCT OUTLOOKS

The growth of real gross output for prepared fish products (or total end market demand) is expected to accelerate over the forecast period after declining on average over the 2013 to 2017 period to average 0.2% over 2018-21, 0.9% over 2022-26 and 1.0% over the 2027-30. There are many reasons for the improvement in overall real gross output. There is expected to be moderate gains in overall consumption as consumer demand for prepared fish products improves. International exports are expected to rise slowly over the forecast period as trading partner market growth is modest and as trade agreements encourage market penetration in the European Union and in the members of the TPP trade pact. Interprovincial exports are expected to improve modestly as consumer demand in other provinces gain from the trend toward more processed fish consumption. Interindustry demand also improves as the demand for prepared fish inputs rises, primarily as a result of increased provincial food production.

## 3.1 OVERALL PROVINCIAL ECONOMIC OUTLOOK

The government's "Population Action Plan", which aims to raise the Island's population to 160 thousand by 2022, largely through increased immigration, is expected to have far reaching and long-lasting effects on the province. Real GDP jumped by 3.2% in 2017, boosted by gains in residential and business investment. Over the course of the medium term, growth in real GDP will average 2% per year, largely on the back of increased residential investment expenditures and consumer spending. These increases can be directly attributed to the influx of immigrants to the island, which in turn leads to this solid GDP growth. This trend continues in the 2022-26 period, with GDP averaging 2% annual growth before slowing to average 1.7% growth over the 2027-30 period.

TABLE 2: PE PREPARED SEAFOOD END MARKET GROWTH (ANNUAL AVERAGE % CHANGE)

| END MARKET | 2013-2017 | 2018-2021 | 2022-2026 | 2027-2030 |
|---|---|---|---|---|
| Consumption | 0.0 | 1.4 | 1.5 | 1.8 |
| International Exports | -1.1 | 0.1 | 1.0 | 1.1 |
| Interprovincial Exports | -0.3 | 0.3 | 0.5 | 0.8 |
| Interindustry Demand | 0.5 | 2.0 | 2.0 | 2.0 |
| Imports | 0.0 | 1.4 | 1.5 | 1.8 |
| Total End Market Demand | -0.7 | 0.2 | 0.9 | 1.0 |

## 3.3 SEAFOOD PROCESSING EMPLOYMENT OUTLOOK FOR PRINCE EDWARD ISLAND

Average annual seafood processing employment is expected rise modestly from just under an annual average of 1,000 workers in 2017 to 1,100 by 2030. Seafood processing real GDP is forecast to expand by 0.2% on average over the 2018-21 period, then the pace of growth is expected to quicken to 0.9% on average over 2022-26 and 1.0% over 2027-30. Labour productivity (GDP per hour worked) is forecast to average -0.1% over the projection period. Average hours worked per employee is forecast to fall slightly over the projection period, which leads to the total number of jobs rising by 0.3% over 2018-21, and then rising by 1.1% over 2022-26 and 1.2% over 2027-30.

Replacement demands (deaths and retirements) are expected to total 410 between 2017 and 2030. Taking account of both replacement and expansion demands, the industry will likely need to hire just over 530 new workers, or (54%) of the current workforce over the next 13 years. These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.
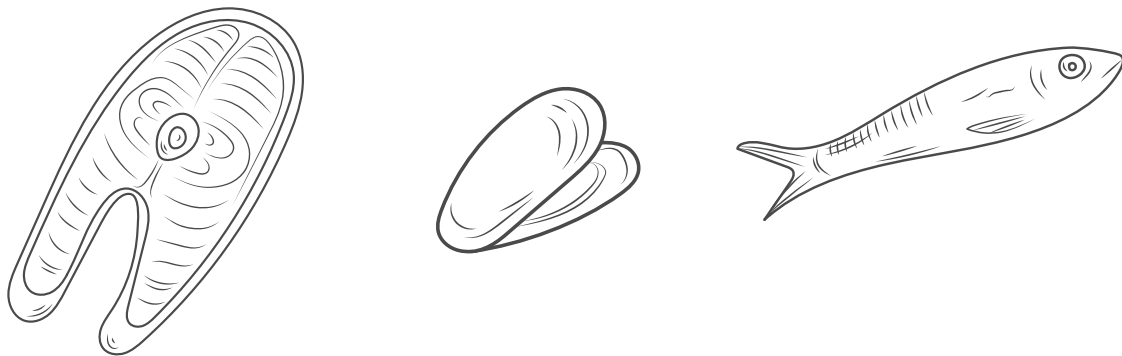
# 4.0 PRINCE COUNTY REGION FISH AND SEAFOOD PROCESSORS

## 4.1 EMPLOYERS

The region hosts 2 processors ranging in size, species processed, and types of processing.

Overall, there are two larger fish and seafood processing establishments in the Prince County Region[3]. Species processed focus primarily on lobster and crab. The two plants operate on a seasonal basis.

## THE CURRENT INDUSTRY WORKFORCE IS CLOSE TO 1,100 WORKERS AT PEAK SEASON WITH APPROXIMATELY 63% BEING LABOURERS AND PLANT WORKERS.

## 4.2 WORKERS

### 4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the Prince County Region in 2017 was 721 on average and rising to 1,098 at peak season[4] (see Table 3). Over one-half of all employed at the peak season (63%) were labourers (NOC 9618) or plant workers (NOC 9463). This distribution was confirmed during interviews where plants made large recruitment efforts during the peak season to ensure sufficient numbers of labourers and plant workers would be available to meet their requirements. The labourer positions do not generally require previous experience or training and are often the entry level position for many of the plants. The plant worker jobs generally require some experience in the industry (6-12 months) with on-the-job training (e.g., operating specific pieces of equipment). While a high school diploma is often preferred, it is often not necessary to secure a starting position according to the plant and HR managers interviewed for the study.
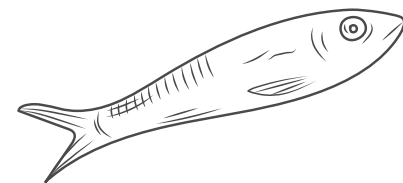
3  Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.
4  Average employment refers to average monthly employment over the calendar year, while peak employment is the average number employed during the month with the highest employment during the year.

TABLE 3: PROFILE OF WORKERS BY OCCUPATIONS FOR PRINCE COUNTY REGION - 2017 (AVERAGE & PEAK)

| | AVG 2017 (#) | AVG 2017 (%) | PEAK 2017 (#) | PEAK 2017 (%) | EXTRA NEEDED FOR PEAK |
|---|---|---|---|---|---|
| Total Employment | 721 | 100% | 1,098 | 100% | 377 |
| FOUNDATIONAL (NOC 9618) | | | | | |
| Shellfish Processing Labourer | 215 | 30% | 381 | 35% | 166 |
| Fish Processing Labourer | 47 | 7% | 84 | 8% | 37 |
| INTERMEDIATE (NOC 9463) | | | | | |
| Shellfish Plant Worker | 99 | 14% | 175 | 16% | 76 |
| Fish Plant Worker | 22 | 3% | 39 | 4% | 17 |
| SUPERVISORY (NOC 9213) | | | | | |
| Supervisors | 35 | 5% | 39 | 4% | 4 |
| MANAGEMENT (NOC 0911; 0016) | | | | | |
| Management | 15 | 2% | 15 | 1% | 0 |
| OTHER CATEGORIES | | | | | |
| Maintenance | 33 | 5% | 40 | 4% | 7 |
| Skilled Trades | 38 | 5% | 50 | 5% | 12 |
| Quality Control Technician | 5 | 1% | 6 | 1% | 1 |
| Office Staff | 43 | 6% | 43 | 4% | 0 |
| Other Occupations * | 167 | 23% | 225 | 20% | 58 |

* this includes occupations in areas such as transport, logistics, material handlers that do not fall within the main NOC codes identified above.

**1,100** AVERAGE NUMBER OF WORKERS EMPLOYED IN THE SEAFOOD PROCESSING INDUSTRY IN 2017
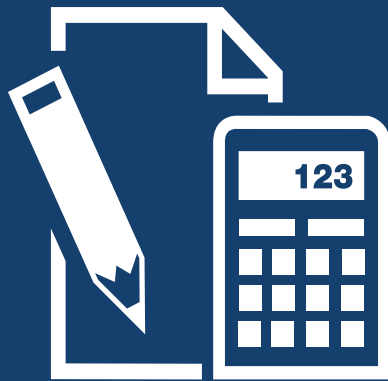
# 4.2.2 WAGES

Information on wages is not available at the regional level given the small population. Overall, median hourly wages for shellfish/fish labourers and plant workers are slightly higher than some of the other C and D level occupations available in the region (e.g., retail, cashiers), but on par with other labour intensive occupations (e.g., farm worker) .

The median hourly wage for shellfish/fish labourers (NOC 9618) in Prince Edward Island in 2017 was $13.31/hour (see Table 4). The median wage for shellfish/fish plant workers (NOC 9463) was slightly lower at $12.95/hour.  To provide some context, the minimum wage in Prince Edward Island in 2017 was $11.25/hour.

When compared with other C&D Level Occupations in the same province, the median wages for shellfish/fish labourers and plant workers were slightly higher by approximately $0.75 to $1.50/hour.  The one exception was for a farm worker which provided a comparable median hourly wage ($14.00/hour) to that of the processing labourer.

These wage rates are comparable to what was cited in interviews with some of the plants in the area that indicated the starting wage for labourers and plant workers ranging around the $13.50 mark with some positions starting a little higher (up to $14/hour) if they involved particular lifting requirements.  Recent reviews of job ads in 2018 in the area indicate that aquaculture establishments are starting mussel farm labourers at $15/hour in 2018 (which also tend to have less seasonality).

TABLE 4: WAGE LEVELS FOR SELECTED OCCUPATIONS - 2017 ($/HOUR)

|  | Low Wage (10th percentile) | Median Wage (50th Percentile) | High Wage (90th percentile) |
|---|---|---|---|
| **Shellfish/Fish Processing Labourer (NOC 9618)** |  |  |  |
| Kings County (PE)* | -- | -- | -- |
| All Prince Edward Island | 11.55 | 13.31 | 15.20 |
| **Shellfish/Fish Plant Worker (NOC 9463)** |  |  |  |
| Kings County (PE)* | -- | -- | -- |
| All Prince Edward Island | 11.55 | 12.95 | 15.00 |
| **Other C&D Level Occupations (PE)** |  |  |  |
| Farm Worker (NOC 8431) | 11.55 | 14.00 | 18.00 |
| Deckhand, Fishing (NOC 8441) | - | - | - |
| Retail Sales (NOC 6421) | 11.55 | 11.75 | 19.00 |
| Food Services (NOC 6711) | 11.55 | 11.55 | 17.90 |
| Cashier (NOC 6611) | 11.55 | 11.55 | 13.43 |

* Data not available at the sub-provincial level
Source: Employment and Social Development Canada – Job Bank – Labour Market Information

# 5.0 REGION'S LABOUR FORCE

**THE REGION'S LABOUR FORCE NUMBERS IS APPROXIMATELY 23,000. APPROXIMATELY ONE-THIRD OF THE ADULT POPULATION WORKED IN A FULL-YEAR, FULL-TIME POSITION IN 2015.**

## 5.1 OVERVIEW OF LOCAL LABOUR FORCE

### 5.1.1 SIZE OF LABOUR FORCE, MAIN SECTORS AND WORK PATTERNS

The overall size of the labour force for the region in 2017 was estimated at 22,748 (out of a total population of 37,430). The largest proportions of the labour force for Prince County in Prince Edward Island work in agriculture, forestry, fishing and hunting (13% of labour force), manufacturing (13% - includes fish and seafood processing) and retail trade (12%) (Census, 2016).

According to Census 2016 data, approximately one third (31%) of the population 15 years or older worked full-time for the full-year (see Figure 4). A larger proportion worked part of the year and/or part-time (40%), while twenty nine percent (29%) reported not working in 2015. This is consistent with the information collected from interviews that indicated that much of the private sector-based employment in the region is seasonal (e.g., tourism, retail, fish harvesting, agriculture), so it is challenging for people to find full-time, year-round employment which is often more characteristic of the public-sector opportunities in the area (e.g., health, education).

FIGURE 4: WORK PATTERNS (15 YEARS OR OLDER) – PRINCE COUNTY REGION



Did not work: 29.0 %

Worked part year and/or part time: 40.0 %

Worked full; full time: 31.0 %
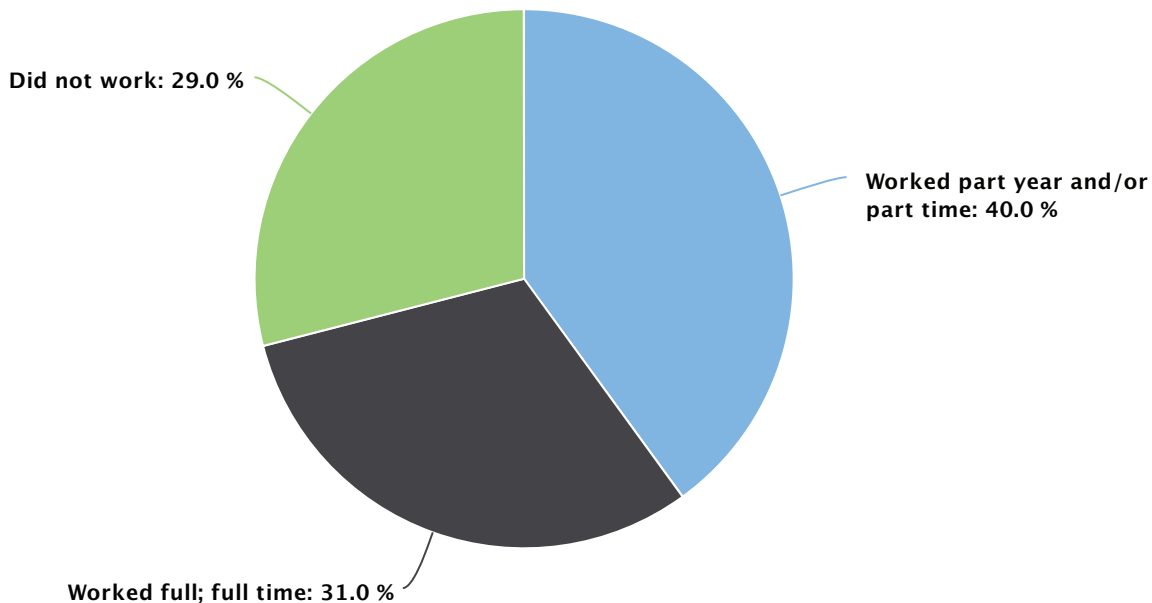
Source: Census 2016

TABLE 5: AVERAGE MONTHLY EI CLAIMANTS FOR PRINCE REGION – 2014 TO 2016[5]

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total (All Occupations) | 4,387 | 4,313 | 4,373 | 4,270 | 3,003 | 2,433 | 3,047 | 2,837 | 2,583 | 3,047 | 3,807 | 4,417 |
| Skill Level C & D* | 3,083 | 3,040 | 3,070 | 2,990 | 2,127 | 1,677 | 2,057 | 1,900 | 1,787 | 2,060 | 2,687 | 3,107 |
| Food Processing** | 327 | 317 | 313 | 303 | 157 | 113 | 203 | 180 | 123 | 193 | 227 | 280 |

*includes intermediate jobs that usually call for high school and/or job-specific training (Skill Level C) & labour jobs that usually give on-the-job training (Skill Level D)

**includes the following occupations: manufacturing managers (NOC 0911); bakers (6,332); retail salespersons (6,421); material handlers (7,452); food and beverage processing supervisors (9,213); industrial butchers and meat cutters (9,462); fish and seafood plant workers (9,463); food and beverage processing labourers (9,617)

Source: Employment and Social Development Canada 2017

5 Monthly EI beneficiaries as reported in the table represent the average number of beneficiaries in the month between 2014 and 2016.

### 5.1.2 UNEMPLOYMENT

The unemployment rate for the region in 2017 was 12.6% on average, but monthly the rate experiences considerable fluctuations from a low of 7.9% to a high of 20.0%.  According to Census data, approximately one quarter (23%) of the population 15 years or older who had income received regular Employment Insurance (EI) payments at some point in 2015.

According to EI data provided by ESDC for the region, the average monthly number of EI claimants in food processing sectors across three years demonstrates the seasonality of the number of EI claimants ranging from an average low of 113 in June to over 320 in January (see Table 5).  Figure 5 also demonstrates the seasonality of the number of EI claimants with the cyclical pattern illustrated to be similar across the three years of available data (2014-2016) with similar numbers of claimants occurring each of the three years (+5.1% change for overall claims on an annual average for this period; 3.7% for food processing).

THE AVERAGE UNEMPLOYMENT RATE FOR THE REGION IN 2017 WAS 12.6%, WITH CONSIDERABLE MONTHLY FLUCTUATIONS GIVEN THE SEASONALITY OF MANY OF THE INDUSTRIES.
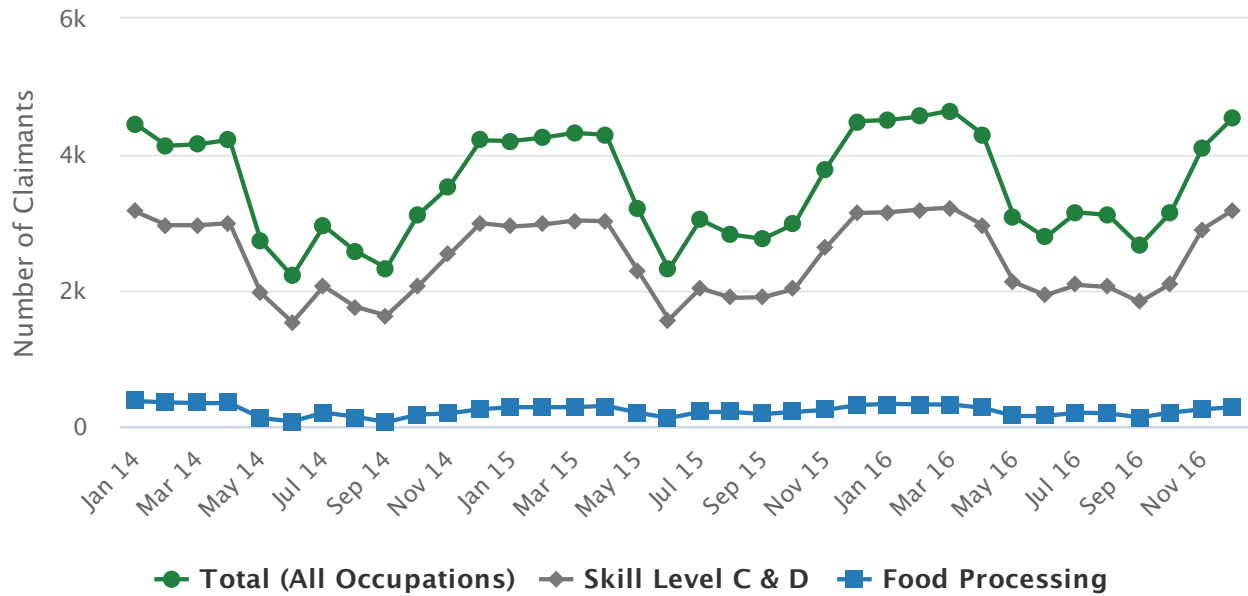
> **INDIGENOUS COMMUNITIES IN THE REGION ARE BE-
> COMING MORE INVOLVED WITH SEAFOOD AND FISH
> HARVESTING, BUT LESS SO WITH PROCESSING.**

## 5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The proportion of immigrants in the Prince County Region is slightly lower when compared with Prince Edward Island overall (3.2% vs. 6.4%). In 2017, the plants interviewed were using the Temporary Foreign Workers Program (TFWP) with one having hired about 20% of their workforce through the TFWP. In addition to the TFWP, the plants interviewed are working with various immigration programs including the Atlantic Pilot project and a Provincial Pilot project through which they can offer employment working towards permanent residency status for those participating.

## 5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

The Prince County Region includes one Indigenous community (Lennox Island First Nation) with a total population living on-reserve of approximately 393. The proportion of the population in the Prince County Region who identify as Aboriginal is 1.3%, 455 individuals, according to Census definitions. In interviews with one plant in the Region, they noted that they had worked with the local Indigenous community to assist in their establishing and upgrading of their own processing plant in the community, but unfortunately this project was halted. As well there had been attempts to recruit, train and employ Indigenous community members in the established plant a few years previous, but this has been less successful more recently.

> **CURRENTLY, RECENT IMMIGRANTS AND TEMPORARY FOREIGN WORKERS
> PLAY A ROLE IN ADDRESSING LABOUR SUPPLY ISSUES IN THE FISH AND
> SEAFOOD PROCESSING INDUSTRY IN PRINCE COUNTY REGION.**

# 6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

## 6.1 LABOUR MARKET TIGHTNESS

THERE IS CURRENTLY AN INSUFFICIENT LOCAL LABOUR FORCE TO MEET THE REGION'S LABOUR REQUIREMENTS (FOR ALL INDUSTRIES) LEAVING AN OVERALL POTENTIAL GAP WHICH INCREASES DURING PEAK PERIODS. THIS TREND CONTINUES THROUGH TO 2030, INCREASING TOWARDS THE SECOND HALF OF THIS PERIOD. FOR THE FISH AND SHELLFISH PROCESSORS, THIS SHORTAGE IS MOST SEVERE DURING THE PROCESSING PEAK SEASON WHICH UNFORTUNATELY TENDS TO COINCIDE WITH MANY OTHER COMPETING SECTORS' PEAK SEASONS.

TABLE 6: POPULATION AND LABOUR FORCE OUTLOOK SUMMARY – PRINCE COUNTY REGION – 2017-2030

|  | 2017 | 2018 | 2019 | 2020 | AVG 2021-2025 | AVG 2026-2030 |
|---|---|---|---|---|---|---|
| Total Population | 37,430 | 37,978 | 38,476 | 38,998 | 40, 606 | 43,207 |
| *Avg. Annual Change (%)* |  | 1.5% | 1.3% | 1.4% | 1.3% | 1.2% |
| Total Labour Force | 22,748 | 23,237 | 23,447 | 23,719 | 24,621 | 25,130 |
| *Avg. Annual Change (%)* |  | 2.2% | 0.9% | 1.2% | 1.1% | 0.0% |
|  |  |  |  |  |  |  |
| Total Employment | 19,872 | 20,208 | 20,390 | 20,627 | 21,335 | 22,105 |
| *Avg. Annual Change (%)* |  | 1.7% | 0.9% | 1.2% | 1.2% | 0.3% |
| Unemployment Rate | 12.6% | 13.0% | 13.0 | 13.0% | 13.4% | 12.0% |

The model projections indicate that taking into account the trends in out-migration, and ageing population, the Prince County Region will experience a trend in population growth within the period under study (2017 to 2030) (see Table 6). These factors will also contribute to an increase in the labour force from approximately 23,000 to 25,000 between 2017 and 2030. As a result, unemployment rates are expected to drop slightly from an average of 12.6% to 12.0% by 2030.

# LABOUR MARKET TIGHTNESS EXPLAINED

Specifically for this project, the analytic team developed an approach to demonstrate the "tightness" of the labour market in supplying the employment demands from seafood processing in the identified regions. This was calculated by estimating labour requirements in other sectors in the region (non seafood-processing labour requirements) and subtracting those requirements from the total labour force estimates. This difference results in an estimated "residual" labour force for the region from which seafood processing needs to draw. Not all of the seafood processing workers come from the residual pool, as the sector actively competes with other sectors for workers; however, the "tightness" measure indicates where shortages are likely occurring for not only the seafood processing sector but likely other sectors drawing from the same labour supply. Using this approach, the current and future labour market tightness was calculated to determine the extent to which the region's labour force can meet the labour requirements of all sectors (both non-seafood processing and seafood processing).

As illustrated in Table 7 and Figure 6, the Total Seafood Processing Employment (Annual Average and Peak) is higher than the Residual Total Labour Force. This suggests that there is currently (2017) an insufficient local labour force to meet all of the region's labour requirements (for all industries) leaving an overall potential gap which increases during peak periods. This trend continues all the way through to 2030, increasing towards the second half of this period.

The analysis outlined in Table 7 and Figure 6 describes the labour market context within which the fish and seafood processors are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this very tight, competitive labour market, the industry employers have had some success recruiting. For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 1,098 within a labour market that had a residual total labour force of only 782. This means that the seafood processing industry was likely recruiting workers from other industries, and potentially recruiting workers from outside the local region. While the industry did experience vacancies, these would likely have been substantially higher had it not been successful in recruiting labour external to the region, and/or competing with other industries in recruiting workers.

TABLE 7: TOTAL LABOUR MARKET TIGHTNESS – PRINCE COUNTY REGION – 2017-2030

| | 2017 | 2018 | 2019 | 2020 | AVG 2021-2025 | AVG 2026-2030 |
|---|---|---|---|---|---|---|
| Total Labour Force [6] | 22,748 | 23,237 | 23,447 | 23,719 | 24,621 | 25,130 |
| Total Non-Seafood Processing Labour Requirement [7] | 21,966 | 22,409 | 22,605 | 22,861 | 23,692 | 24,300 |
| Residual Total Labour Force [8] | 782 | 827 | 842 | 858 | 937 | 949 |
| Total Seafood Processing Employment (Annual Average) | 721 | 723 | 718 | 727 | 752 | 794 |
| Total Seafood Processing Employment (Peak) | 1,098 | 1,102 | 1,094 | 1,107 | 1,145 | 1,210 |

FIGURE 6: TOTAL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE
PRINCE COUNTY REGION – 2017-2030
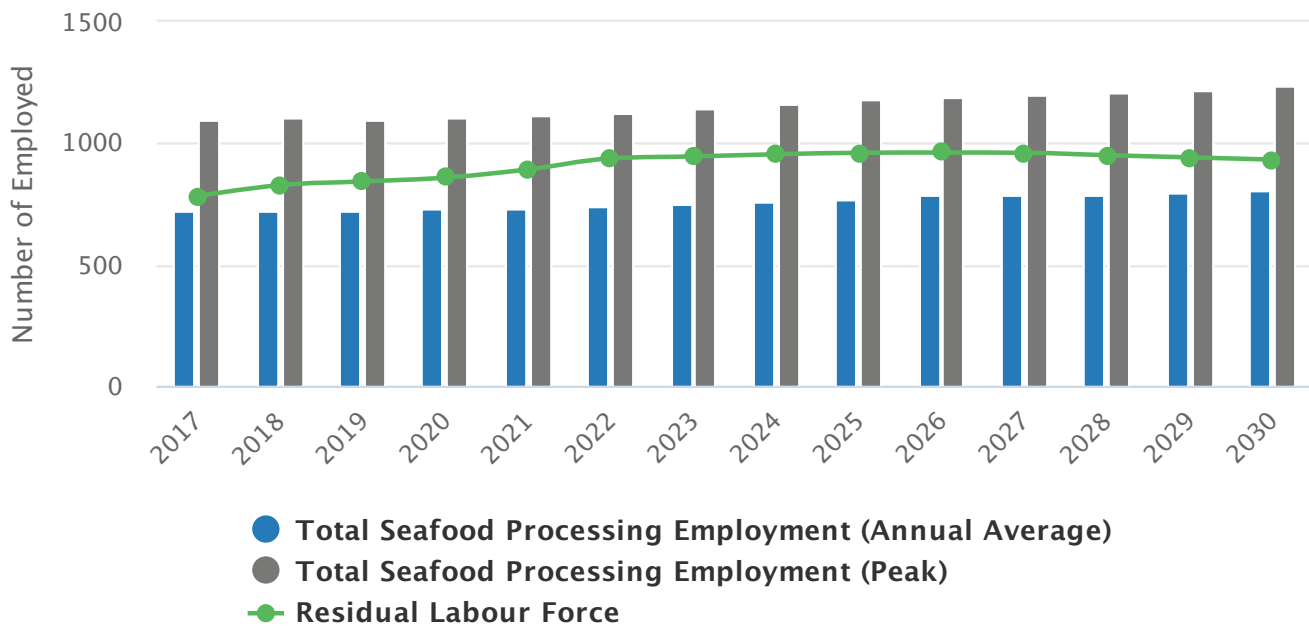


6   The labour force includes all individuals who are either employed or unemployed and actively seeking work. The unemployed would include those on regular EI claims along with those receiving other sources of income (e.g., social assistance) who are actively looking for employment.

7   Non-seafood processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.

8   The residual labour force is the difference between the labour force and the non-seafood processing labour requirement.

As noted in the description of the occupations, more than 60% of the occupations in the industry in this region are in the "C" and "D" levels which are often referred to as "lower-skill level" occupations, not requiring post-secondary education.  As well, these occupations are noted among plant managers as the most challenging with respect to recruitment and retention.  Given much of the focus is on the lower-skill level labour force, the study also analysed the "tightness" of the lower-skill level labour market (see Table 8 and Figure 7). The tightness of lower-skill level labour market is also high.  For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 692 workers within a labour market that had a residual total labour force of only 330.  This means that the seafood processing industry was likely recruiting workers from other industries, and potentially recruiting workers from outside the local region. This level of tightness suggests that many of the industries that rely on a lower-skill level labour market are also experiencing labour shortages in this region.

TABLE 8: LOWER-SKILL LABOUR MARKET TIGHTNESS  – PRINCE COUNTY REGION – 2017-2030

| | 2017 | 2018 | 2019 | 2020 | AVG 2021-2025 | AVG 2026-2030 |
|---|---|---|---|---|---|---|
| Lower-Skill Labour Force [9] | 9,340 | 9,541 | 9,627 | 9,739 | 10,109 | 10,318 |
| Lower-Skill Non-Seafood Processing Labour Requirement | 9,010 | 9,171 | 9,217 | 9,302 | 9,569 | 9,943 |
| Residual Lower-Skill Labour Force | 330 | 369 | 410 | 436 | 542 | 591 |
| Lower-Skill Seafood Processing Employment (Annual Average) | 454 | 456 | 452 | 458 | 473 | 501 |
| Lower-Skill Seafood Processing Employment (Peak) | 692 | 694 | 689 | 698 | 721 | 763 |

9   The lower-skill labour force is the portion of the total labour force with no education beyond a high school diploma.
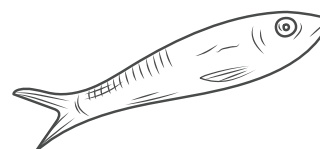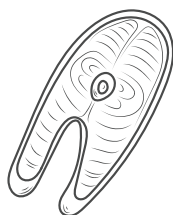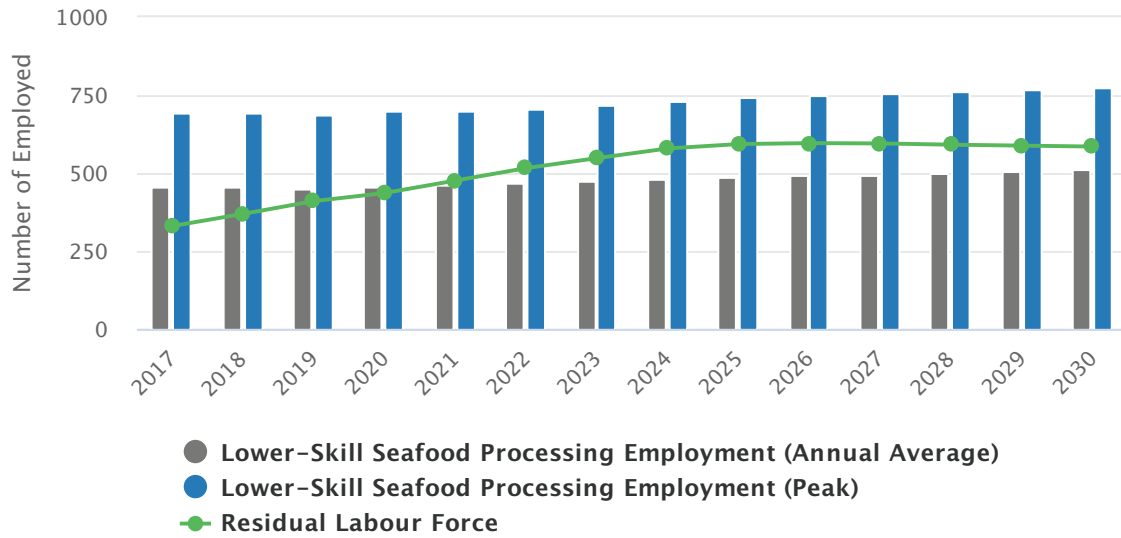
The overall summary of the labour market tightness as modeled for the Prince County Region (Table 9) demonstrates that the local labour force is able to meet the employment requirements of employers in the area at average levels but not at peak levels. This tightness is demonstrated for the overall labour market and is even greater for lower-level skill workers from 2021 to 2030. This trend is anticipated to continue onward throughout the period of study. These results assume similar industry employment demand (e.g., no new major employers arriving or leaving the area), and no major changes in net migration patterns.

**TABLE 9: SUMMARY OF LABOUR MARKET TIGHTNESS  − PRINCE COUNTY REGION − 2017-2030**

|  | 2017 | 2018 | 2019 | 2020 | AVERAGE 2021 TO 2025 | AVERAGE 2026 TO 2030 |
|---|---|---|---|---|---|---|
| **TOTAL** | 2 | 2 | 2 | 2 | 2 | 2 |
| **LOWER SKILL** | 3 | 3 | 3 | 3 | 2 | 2 |

1 = Regional labour force meets seafood processing employment demand at annual average and peak employment levels

2 = Regional labour force meets seafood processing employment demand at annual average levels only

3 = Regional labour force does not meet seafood processing employment at annual average or peak levels

## 6.2 NUMBER OF WORKERS REQUIRED

Within a very tight labour market, projections indicate that the Prince County Region employers will need to attract approximately 374 new workers to the fish and seafood processing industry by 2030.  This is equivalent to approximately 52% of their 2017 annual average workforce.  This requirement is due to replacement of anticipated retirements over this period, while considering projected industry growth and labour productivity gains. Unfortunately, this recruitment will be occurring within the context of a very tight regional labour market that is currently experiencing severe labour shortages which are predicted to continue during this period.   This tightness in the labour market is contributing to the high number of current vacancies experienced by employers in seafood processing (estimated at 12% in Atlantic Canada), and to some degree the higher turnover rates in the industry as workers have more employment opportunities from which to choose, particularly in the lower-skill level occupations (estimated turnover rate of 40% for Atlantic Canada in seafood processing industry).  All of these factors contribute to the substantial challenges facing Prince County Region seafood processors in their attempts to recruit enough workers to replace retirements, fill ongoing vacancies, work to address turnover rates, while also trying to grow, remain competitive and increase productivity.

Overall, it is anticipated that while there will be some shedding of jobs in the short term (2017) due to negative industry growth, but as of 2018, there will be a need for increased numbers of new hires, due to the need for replacements due to anticipated retirements and deaths among the workforce (see Table 10).  Overall, this results in the need to attract 374 new workers to the industry between 2018 and 2030.  This equates to replacing approximately 52% of the 2017 average seafood processing workforce in the region.

TABLE 10: HIRING REQUIREMENT OUTLOOK  – PRINCE COUNTY REGION – 2017-2030

| | 2017 | 2018 | 2019 | 2020 | SUM 2021-2025 | SUM 2026-2030 |
|---|---|---|---|---|---|---|
| Net Hiring Requirement[10] | -64 | 24 | 15 | 30 | 154 | 151 |
| Industry Growth | -84 | 3 | -5 | 9 | 46 | 37 |
| Retirements and Mortality | 21 | 21 | 21 | 21 | 108 | 114 |

The employment outlook according to occupation is detailed in Table 11 (Annual Average) and Table 12 (Peak).

TABLE 11: EMPLOYMENT OUTLOOK (ANNUAL AVERAGE) – PRINCE COUNTY REGION – 2017-2030

| | 2017 | 2018 | 2019 | 2020 | AVG 2021-2025 | AVG 2026-2030 |
|---|---|---|---|---|---|---|
| Total Employment | 721 | 723 | 718 | 727 | 752 | 794 |
| Shellfish Processing Labourer | 215 | 216 | 215 | 217 | 225 | 237 |
| Fish Processing Labourer | 47 | 48 | 47 | 48 | 49 | 52 |
| Shellfish Plant Worker | 99 | 99 | 99 | 100 | 103 | 109 |
| Fish Plant Worker | 22 | 22 | 22 | 22 | 23 | 24 |
| Supervisors | 35 | 36 | 35 | 36 | 37 | 39 |
| Maintenance | 33 | 33 | 33 | 33 | 35 | 36 |
| Skilled Trades | 38 | 38 | 38 | 39 | 40 | 42 |
| Quality Control Technician | 5 | 5 | 5 | 5 | 5 | 6 |
| Management | 15 | 15 | 15 | 15 | 15 | 16 |
| Office Staff | 43 | 43 | 43 | 44 | 45 | 48 |
| Other Occupations | 167 | 167 | 166 | 168 | 174 | 184 |

10  Net hiring requirement does not include hiring required as a result of turnover (i.e. hiring workers to replace individuals who quit or are fired from their positions). The imputed turnover rate (total number of people workers hired as a share of the total number of workers) for Atlantic seafood processors is 40%.
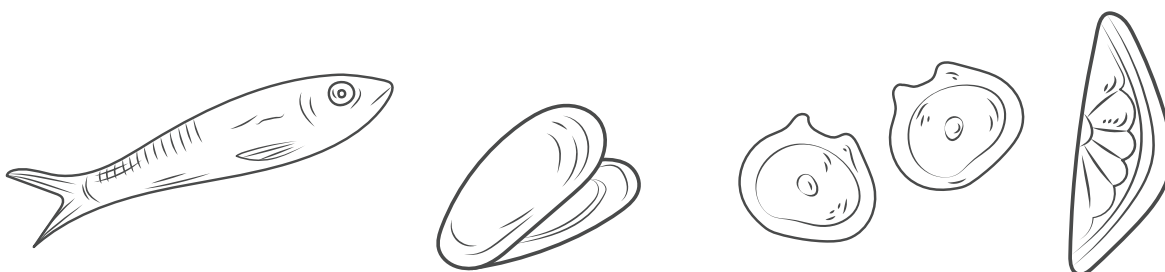
TABLE 12: EMPLOYMENT OUTLOOK (PEAK) – PRINCE COUNTY REGION – 2017-2030

| | 2017 | 2018 | 2019 | 2020 | AVG 2021-2025 | AVG 2026-2030 |
|---|---|---|---|---|---|---|
| Total Employment | 1,098 | 1,102 | 1,094 | 1,107 | 1,145 | 1,210 |
| Shellfish Processing Labourer | 381 | 383 | 380 | 385 | 398 | 420 |
| Fish Processing Labourer | 84 | 84 | 84 | 85 | 87 | 92 |
| Shellfish Plant Worker | 175 | 176 | 175 | 177 | 183 | 193 |
| Fish Plant Worker | 39 | 39 | 39 | 39 | 41 | 43 |
| Supervisors | 39 | 39 | 39 | 39 | 41 | 43 |
| Maintenance | 40 | 40 | 40 | 40 | 41 | 44 |
| Skilled Trades | 50 | 50 | 49 | 50 | 52 | 55 |
| Quality Control Technician | 6 | 6 | 6 | 6 | 7 | 7 |
| Management | 15 | 15 | 15 | 15 | 15 | 16 |
| Office Staff | 43 | 43 | 43 | 44 | 45 | 48 |
| Other Occupations | 225 | 226 | 224 | 227 | 235 | 248 |

# 7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

Interviews with plant managers in the region outlined various HR issues that they have experienced in the attempt to retain and recruit an adequate labour force. While issues and challenges vary from plant to plant, these are some of the common themes that were identified and may be characteristic of the various plants in this region. Main themes include:

## » Recruitment

in the larger, seasonal plants there is an ongoing attempt at recruiting sufficient numbers of people during their processing seasons. Ads are placed on radios, newspapers and online job boards. Many of the referrals are by word of mouth from within the community. One of the main areas that remains particularly challenging for recruitment is working on the sanitation teams.

## » Competition for seasonal lower-skill labour

Plant managers noted that the competition for seasonal lower-skill labour is increasing. Main competitors noted were other food processors in the area, federal tax centre, and seniors care (e.g., home care workers, home support). Another area noted as challenging was fish harvesting (particularly the lobster fishing industry) where many of the young men can make considerably more money working in the harvesting sector compared with the processing sector. This presents some challenges for filling positions in processing that require heavier lifting and strong physical capacity.

## » Preference for seasonal work among lower skill level occupations

Among those interviewed, it was noted that laborer and plant worker full-time positions are challenging to fill and retain employees. This was explained by two plant managers as many of the communities having an abundance of seasonal employment opportunities available, and people in the communities tending to prefer longer hours and days of seasonal work, and to then collect EI benefits, rather than commit to full-time employment at lower-skill levels.

## » Absenteeism

Part of the challenges of shortages is also attributed to absenteeism which according to interviews is increasing over the past 5-10 years. This is attributed to the long hours that are required with limited days off (given the shortages), the physical nature of the work, and the current EI system which contributes to a cap in the number of hours that people are willing to work with open claims. The understanding was that after a certain number of hours each week, the advantages of working are outweighed by impact on claim amounts. For these reasons, employees often will be absent which in turn creates more shortages contributing to a cycle effect.

## » Retention issues

Among the plants interviewed, there appears to be a core group of employees who have been with the plants for over 10 years (some in the 30- to 40-year range). This group is older (55+) and make up anywhere from 30% to over 40% of the workforce. Turnover is occurring primarily with those who are under 50 years of age.

## » Long hours

The seasonal nature of the work combined with at times unpredictable raw product results in extremely long hours for many workers. The average work week across the season would be 60-70 hours with some weeks up over 80 hours.

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# 8.0 PROMISING PRACTICES AND INNOVATIONS

Employers in the region are trying various approaches to address the challenges with labour supply and retention. Some of those that were identified during interviews include:

## STUDENTS AS A LABOUR SUPPLY

The plant representatives interviewed indicated that students working in the plants as summer jobs has helped with some of the peak requirements. One program is the "Team Seafood PEI" which assists with transportation, recruitment and bursaries for working in the industry. Another plant noted that they have had some success with foreign students relocating to the community for the summer from Quebec to work in the industry and are appreciative of the potential for long hours.

## IMMIGRANTS AS A LABOUR SUPPLY

The plant representatives interviewed reported that they have had some success working within pilot projects related to immigration where they are able to work with new immigrants to supply the employment requirements for permanent residency. While they are looking for employment that is longer-term than seasonal, this is a good balance to some of the local labour supply that is less interested in full-time, non-seasonal work (primarily due to impact on EI claims). This has resulted in a number of families locating to the rural communities and obtaining permanent residency.

## DEVELOPING DIFFERENT SHIFTS

Rather than going with set shift times that all need to abide by, one plant works at providing opportunities for different shift start times depending on the length of shifts people can work (e.g., different for seniors, students, people with young families), and their family commitments. For example, they may have some groups starting at 6AM, 8:30AM or 10AM. They also sometimes have a specific shift for students that is later in the afternoon-evening and on weekends.
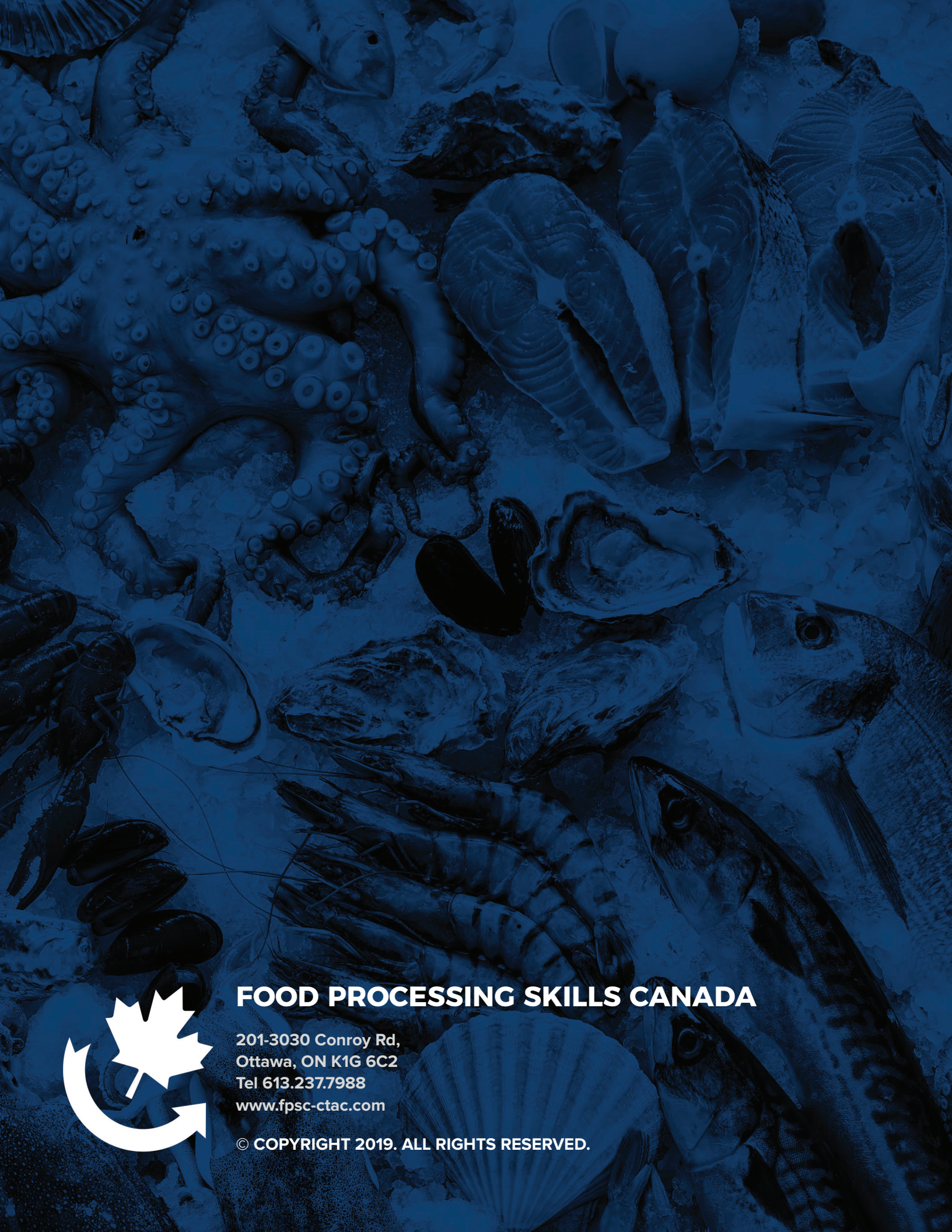
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